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SIPDIS

SENSITIVE

DEPARTMENT PLEASE PASS TO USTR: ESAUMS AND SDONNELLY
COMMERCE FOR N.WEIGLER

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TAGS: [ECON](#) [ETRD](#) [IS](#) [ECONOMY](#) [AND](#) [FINANCE](#) [ISRAEL](#) [RELATIONS](#)
SUBJECT: ISRAEL TO SIGN AGREEMENT WITH EUROPEAN STANDARDS
ORGANIZATIONS

¶1. (U) This message is sensitive but unclassified, please protect accordingly. Not for internet distribution.

¶2. (SBU) Summary: In a July 2 meeting with EconCouns and EmbOffs, Israeli officials notified the USG of their intent to sign agreements with two European standards organizations, the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). At the same time, the GOI requested reexamination of two pending requests for agreements with the USG in the fields of telecommunications and pharmaceuticals. End summary.

¶3. (SBU) The Ministry of Industry, Trade, and Labor's (MOITAL) Director of the Foreign Trade Administration Boaz Hirsch, Director of International Agreements Yair Shiran, and Commissioner for Standardization joined by the Standards Institution of Israel's (SII) Director of the Standardization Division, Michael Wolf, met July 2 with EconCouns and EmbOffs to update the USG on the status of GOI negotiations with European standards organizations CEN and CENELEC. Hirsch began the meeting by telling EconCouns that he understands that the issue of standardization is "sensitive" for the U.S. and he looks forward to resuming negotiations on Mutual Recognition Agreements (MRAs) on telecoms and pharmaceuticals.

¶4. (SBU) Wolf explained that his recent negotiations with CEN focused on the difficulties that Israel would experience with the U.S. if required to adopt European Standards as the only national standard for Israel. At the same time Wolf said that Israeli industry is lobbying the SII to sign an agreement with CEN, so it can participate in the development of standards in fields, such as irrigation systems, where Israel has an active interest in exporting to Europe. Wolf explained that there is a "gentleman's agreement" with CEN that would allow Israel to adopt "mutually equivalent" standards in parallel to the CEN standard, citing "national deviations." The document that Wolf provided as a template of the agreement he plans to sign with CEN is an un-revised copy of the partnership standardization bodies agreement, available on the CEN website.

¶5. (SBU) EconCouns reminded Wolf that the U.S. standard developing organizations have offered assistance and cooperation in the past, and that it would be hard to explain the GOI's commitment to funding participation in European standards organizations, but unwillingness to purchase U.S. standards. Hirsch clarified that the funding for involvement in CEN and CENELEC will come mostly from private sector participants.

¶6. (SBU) Wolf said that SII negotiations with CENELEC had not resulted in the same flexibility as with CEN. CENELEC is adamant that participants adopt as the national standard the CENELEC standards for all technical bodies in which they participate. Wolf said that he believes SII will be able to participate only in the working group level of CENELEC technical committees, thus limiting the number of standards it is required to adopt.

¶7. (SBU) Wolfe said that Israel and the SII will sign agreements with CEN and CENELEC by the end of the year. He said that Israel is likely to participate in the irrigation, homeland security and intelligent transport systems (ITS) subcommittees of CEN and in the cable committee of CENELEC.

¶8. (SBU) Comment: While this is the first time that SII negotiations of an agreement with CENELEC have been relayed to the USG, the GOI has been looking for a way to engage with CEN for the last two years. Given that post is not aware of any case in which the GOI has formally adopted more than one international standard to help U.S. exporters, post is unclear how Wolf's proposed "gentleman's agreement" with CEN to allow for the adoption of "mutually equivalent" standards will help U.S. exporters. To date a committee of U.S. exporters, the Embassy, the SII, and the MOITAL has been able to negotiate "waivers" for U.S. products which do not meet the Israeli national standard on a case-by-case basis. It is unclear if the adoption of CEN standards as the national

standard would harm this limited "work-around" solution. End comment.

19. (SBU) Action request: Post requests information, from relevant USG agencies, on the potential impact for U.S. exporters of the decision by SII and the GOI to sign agreements with CEN and CENELEC, especially regarding participation in the specific subcommittees named above.

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JONES